#### **LEASE**

THIS LEASE, made and entered into this \_\_\_\_\_ day of September, 2006, by and between A. G. Gaunoux, Grantor, herein referred to as "Landlord" and Fauquier County, Grantee, herein collectively referred to as "Tenant."

#### WITNESSETH:

1. <u>PREMISES</u> That for and in consideration of the payment by the Tenant of the rent hereinafter reserved and the performance by the Tenant of the covenants and agreements hereinafter agreed to be performed by it, and in accordance with all of the provisions hereinafter set forth, Landlord do hereby lease, let and demise unto Tenant, its successors and assigns, and Tenant does hereby take, lease and hire from Landlord all that certain portion of a building, herein referred to as the "building" owned by Landlord known as the John Marshall Office Building, as registered in the Clerk's Office of Fauquier County, of Andre G. Gaunoux Properties on 32 Waterloo Street, Warrenton, VA, and more particularly described as follows: Suite 207 consisting of eight rooms and approximately 2000 square feet, minus wet closet.

### 2. TERM

### A) Term of Lease

The term of this lease shall be for twenty-two months commencing on the 1<sup>st</sup> day of October 2006 and ending on the last day of June 2008.

- B) Date of Possession. The delivery date of possession to the Tenant shall be deemed to be the 1<sup>st</sup> day of October, 2006.
- C) Holdover. If Tenant holds possession of the premises after the term of this lease, Tenant shall become a tenant month to month at the monthly equivalent of the previous year's base annual rent plus 10%.

# D) Option to Renew.

(i) Subject to the conditions set forth below in this Section 2(d)(i), Tenant shall have the option (the "Option") to renew the Term of this Lease for two (2) additional periods of two (2) years (the "Renewal Period"). In order to exercise the Option, Tenant must give written notice to Landlord not more than one hundred eighty (180) nor less than one hundred twenty (120) days prior to the New Expiration Date; provided, however, that Tenant shall not be entitled to exercise the Option unless each of the following conditions shall be fully satisfied at the time of its exercise: (i) this Lease shall be in full force and effect; (ii) Tenant and/or an Affiliate (as hereinafter defined) shall

1

be in possession of the Premises; and (iii) Tenant shall not then be in default, which default has not been cured within any applicable cure period, under any of the terms, provisions, covenants or conditions of this Lease. In the event Tenant exercises the Option pursuant to the terms hereof, then all terms and conditions of this Lease shall remain in full force and effect during the Renewal Period, except as follows:

- (1) The New Expiration Date shall be extended until the expiration of the Renewal Period.
- (2) The minimum rental payable during the Renewal Period shall be equal to the previous year's rent plus no more than three percent (3%) per year payable monthly.
- (3) Once given, notice of the exercise of the Option shall be irrevocable by Tenant. If Tenant shall fail to give written notice to Landlord of Tenant's exercise of the Option in accordance with this Paragraph 2(d), time being of the essence, then Tenant shall be deemed to have waived its right to exercise the Option and to occupy the Premises during the Renewal Period.
- 3. <u>RENT</u> Commencing on the lease commencement date as herein before set forth, and monthly thereafter during the term, Tenant shall pay to the landlord, without demand and without notice, as rent the following amount: Three Thousand and 00/100 Dollars (\$3000.00) each month, payable on the first (1<sup>st</sup>) day of each month thereafter during the term of this agreement for an annual rent of Thirty-Six Thousand and no/100 Dollars (\$36,000.00).
- A) Adjustment in base annual rent. The base annual rent shall be subject to adjustment for increases as follows: At the end of the first (1<sup>st</sup>) year during the term of this lease and thereafter at the end of each succeeding lease year, and effective simultaneously with the date of each such adjustment, the annual base annual rent (and the monthly installments thereof) shall be increased at the rate of three percent (3%) per annum of the base annual rent for the immediate preceding year. This rate will also extend to any renewal year. The base annual rent is a full service rent with no pass through of any expenses.
- 4. <u>LATE CHARGES</u>. If Tenant fails to pay within five (5) days after the date which due, any installment of base annual rent or any other payment due hereunder, any and all such unpaid amounts shall bear interest at the rate of one and one-half percent (1.5%) per month beginning on the due date and continuing until paid. In addition to the interest which Tenant is required to pay pursuant to the preceding sentence, Tenant agrees to immediately pay Landlord a late charge (the "Late Charge") equal to five percent (5%) of the amount of rent or other payment which was not paid when due. Tenant

2

acknowledges that the Late Charge is equitable compensation to Landlord, which in intended to reasonably compensate Landlord for the administrative, accounting, processing and collection costs which are caused by Tenant's failure to pay the amount due hereunder. Tenant further acknowledges that the exact amount of Landlord's extra cost is difficult or impractical to specifically establish. Acceptance by Landlord of the Late Charge shall not constitute a waiver of any rights or remedies of Landlord.

- 5. <u>SECURITY DEPOSIT.</u> Concurrently with Tenant's execution of this lease, Tenant shall deposit with Landlord an amount equal to one month's base annual rent (Three Thousand and no/100 Dollars (\$3000.00)), as security for damage due to Tenant's failure to pay sums due hereunder, damage to the demised premises, etc. (the "Security Deposit"). Landlord has received Two Thousand and 00/100 Dollars (\$2000.00) from Tenant's previous lease agreement with landlord. Tenant shall therefore deposit an additional One Thousand and 00/100 Dollars (\$1000.00). Landlord shall not be required to pay interest on the Security Deposit or to maintain it in a separate account. Within three (3) days after written notice of Landlord's use of the Security Deposit, Tenant shall deposit with Landlord in cash in an amount sufficient to restore the Security Deposit to its prior amount. Within thirty (30) days after (a) the expiration or earlier termination of the lease term, or (b) Tenant's vacating the demised premises, Landlord shall return the Security Deposit less such portion thereof as Landlord may have used to satisfy Tenant's obligation under this lease. If Landlord transfers the Security Deposit to a transferee of the building or Landlord's interest therein, then such transferee (and not Landlord) shall be liable for its return. The holder of any mortgage shall not be liable for the return of the Security Deposit unless such holder actually receives the Security Deposit.
- 6. <u>DAMAGE OR DESTRUCTION BY CASUALTY</u>. If during the term of this lease, the leased premises are damaged by fire, flood, windstorm, strikes, riots, acts of public enemy, acts of God, or other casualty, so that the same are rendered wholly unfit for occupancy, and if said premises cannot be repaired within 180 days from the time of said damage, then this Lease shall terminate as of the date of such damage. In such case, Tenant shall pay the rent apportioned to the time of damage and shall immediately surrender the leased premises to Landlord who may enter upon and repossess the same and Tenant and Landlord shall be relieved from further liability hereunder. Landlord will consult with and advise Tenant, in writing, within two weeks of the time of said casualty if the demised premises will be repaired or determined to be unfit for occupancy.

If any damage by any of the above casualties, rendering the leased premises wholly unfit, can be repaired within 180 days thereafter, Landlord agrees to repair such damage promptly and this lease shall not be effected in any

3

manner except that no base annual rent shall be payable until such repairs have been completed.

If said demised premises shall be partially damaged by any of the above casualties as to be partially unfit for occupancy, Landlord shall repair the demised premises promptly and during the period from the date of such damage until the repairs are completed, the rent shall be apportioned so that Tenant shall pay as rent an amount which bears the same ratio to the entire monthly rent as the portion of the premises which Tenant is able to occupy during such period bears to the entire demised premises. If the damage by any of the above casualties is so slight that Tenant is not disturbed in his possession and enjoyment of the leased premises, then Landlord shall repair the same promptly and in that case the rent accrued or accruing shall not abate, (except as provided herein).

No compensation or claim or diminution of rent will be allowed or paid by Landlord by reason of inconvenience, annoyance, or injury to business arising from the necessity of repairing the premises or any portion of the building of which the demised premises are a part, however the necessity may occur. Tenant understands and agrees that for this reason it will have adequate insurance available to protect its interesting the event of such a casualty.

### 7. INSURANCE.

- A) Increase in the rate of insurance caused by Tenant. Tenant shall not conduct any activity or place any item in or about the building, which may increase the rate of any insurance on the building. If any increase in the rate of such insurance is due solely to any such activity or item, then (whether or not Landlord has consented to such activity or item) Tenant shall pay the amount of such increase. The statement of any insurance company or insurance rating organization (or other organization exercising similar functions in connection with the prevention of fires or the correction of hazardous conditions) that such an increase is due to any such activity or item shall be conclusive thereof.
- B) Required insurance coverage. Tenant shall maintain throughout the lease term, with a company licensed to do business in the Commonwealth of Virginia, approved by the Landlord, and having a rating satisfactory to Landlord: (a) broad form comprehensive general liability insurance (written on an occurrence basis, including contractual liability coverage insuring the obligations assumed by Tenant pursuant to the following paragraph entitled "Indemnification of Landlord," and an endorsement for personal injury), (b) all risk property insurance. Such liability insurance shall be in the minimum amount typically carried by prudent tenants engaged in similar operations, but in no event shall be in an amount less than One Million Dollars

4

(\$1,000,000) combined single limit per occurrence. Such property insurance shall be in an amount not less than that required to replace all fixtures, personal property and other contents located on the demised premises. All such insurance shall name Landlord and the holder of any Mortgage as additional named insured, contain an endorsement that such insurance shall remain in full force and effect notwithstanding that the insured may have waived its claim against any person prior to the occurrence of a loss, provide that the insurer waives all right of recovery by way of subrogation against Landlord, its partners, agents and employees, and, contains an endorsement prohibiting cancellation, failure to renew, reduction in amount of insurance or change of coverage (1) as to the interests of Landlord and the holder of any Mortgage by reason of any act or omission of Tenant, and (2) without the insurer's giving Landlord thirty (30) days' prior written notice of such action. Landlord reserves the right from time to time to require Tenant to obtain higher minimum amounts of insurance. Tenant shall deliver a certificate of such insurance and receipts evidencing payment of the premium for such insurance (and, upon request, copies of all required insurance policies, including endorsements and declarations) to Landlord five business days before the lease commencement date and at least annually thereafter.

- 8. LOSS OR DAMAGE TO PROPERTY OR PERSONS. All personal property belonging to the Tenant, located on or about the demised premises shall be there at the sole risk of the Tenant; and neither the Landlord nor landlord's agent shall be liable for the theft or misappropriation thereof nor for any damage or injury thereto, nor for damage to the Tenant or any of his agents or employees to other persons or to any property caused by fire, explosion water, gas, electricity, leaks from the roof or other portion of the building, the bursting or leaking of pipes, plumbing, electrical writing and equipment or fixtures of any kind, or by any act or neglect of other tenants or occupants of the building, or due to any other cause whatsoever unless resulting from the willful acts of the Landlord, its employees, agents or representatives. Tenant shall give immediate notice to Landlord in case of fire or accident in the demised premises of any defects, damage or injury therein or in any fixtures or equipment.
- 9. <u>WAIVERS OF SUBROGATION</u> Notwithstanding the provisions of paragraph 7 of this lease, in any event of loss or damage to the building, the premises and/or any contents, each party will look first to any insurance in its favor before making any claim against the other party; and, to the extent possible without additional cost, each party will obtain, for each policy of such insurance, provisions permitting waiver of any claim against the other party for loss or damage within the scope of such insurance, and each party, to such extent permitted, for itself and its insurers waives all such insured claims against the other party.

5

10. <u>REPAIRS AND MAINTENANCE</u>. Tenant shall take good care of the interior or the demised premises and fixtures therein located and, at the expiration or earlier termination or cancellation of this lease, shall surrender the premises and fixtures in as good condition an at the time of delivery, subject to reasonable wear and tear and damage by casualty.

All injury to the building or fixtures caused by moving any property of the Tenant, its agents, employees, independent contractors, licensees, invitees, or visitors, as well as any other damage due to the neglect of the premises and/or fixtures located therein, may be repaired by the Landlord at the expense of Tenant and such costs of repair shall become due and payable upon delivery of a statement of such reasonable costs by Landlord to Tenant or be returned from the security deposit funds.

All other repairs, including all structural repairs to the demised premises, the exterior of the premises, and the common areas, if such repairs have not been necessitated by the act, fault, or negligence of Tenant, or Tenant's agents, shall be the sole responsibility of Landlord.

In addition, all repairs performed by the Landlord shall be at a time and in a manner so as not to unreasonably interfere with Tenant's normal business operations. Landlord's failure to use all reasonable diligence in making repairs which are Landlord's responsibility under this Lease, shall give Tenant the right to abate his rent by an amount proportionate to the inconvenience thereby caused Tenant.

11. <u>SERVICES AND UTILITIES.</u> Landlord agrees to furnish to the demised premises at his own expense the following: all necessary air conditioning, both heated and refrigerated, properly humidified and in such amount as to maintain an even comfortable temperature during all applicable business hours (as defined in the next paragraph), janitorial services, water at all outlets, sewerage, all reasonably necessary building security, and the common use with other tenants of all applicable common areas, including elevators, stairways, entrances, halls, and building directories.

6

All such services and utilities shall be provided at all normal business hours, including at least from 8:00 o'clock A.M. to 5:00 P.M. on weekdays and 8:00 o'clock A.M. to 1:00 o'clock P.M. on Saturdays; Sundays excluded. Such services shall be maintained at the level generally found in first-rate office buildings located in the Warrenton area.

If Landlord fails to provide such utility or service for any reason which is reasonably within Landlord control, and such failure continues after notice to Landlord by Tenant, and a reasonable time for repairs has elapsed without any action by the Landlord, Tenant shall have the option of abating his rental payment in an amount proportionate to his ability to fully utilize the demised premises. In the event utility services are not provided for a continuous 180 day period, the Tenant shall have the right to terminate this Lease.

In the event that water service is discontinued to the premises by the Town of Warrenton for Landlord's failure to perform the required cross connections control and back flow prevention system testing, the Tenant shall have the option to abate his rental payment for every day the water service is not provided in an amount equivalent to the daily rent. In the event that water service is not restored within two full business days, the Tenant shall have the option to terminate this Lease.

- 12. <u>CONDEMNATION</u>. In the event the demised premises shall be acquired or condemned by any public or quasi-public authority under the power of condemnation, eminent domain or appropriation, the term of this lease shall cease and terminate as of the date possession shall be taken by such authority and Tenant shall pay rent and other payments required hereby up to that date and an appropriate refund shall be made by Landlord of such amounts as shall have been paid in advance for a period subsequent to the date of the taking. If only a part of the demised premises shall be taken or acquired by such public authority, then at Tenant's option this Lease may be terminated in its entirety, or upon notice to Landlord, Tenant may remain in possession and the rent shall be abated in that proportion that the area so taken shall bear to the area of the demised premises as a whole immediately prior to such taking, and Landlord shall promptly proceed to restore the remaining part not taken to a complete architectural unit.
- 13. <u>COMMON AREAS AND PARKING.</u> The Landlord agrees that Tenant and Tenant's customers, employees, and/or visitors, shall have the right throughout the term of this Lease to use, on common with others entitled to similar use thereof, all of the interior common areas of the building of which the demised premises are a part, including all hallways, stairways, and doorways for ingress to and egress from the demised premises, and the exterior common areas to the building, all non-designated parking spaces, streets, service drives and sidewalks for ingress to and egress from the demised premises and the public streets and highways, and Landlord shall

7

arrange and adequately maintain said interior common areas in good and usable condition through the term of this Lease.

The Landlord shall adequately maintain in good and usable condition throughout the term of this Lease all exterior common areas, and shall be responsible for snow removal and the maintenance of adequate lighting facilities in the said parking areas at all times during the business hours of the building containing the leased premises.

14. <u>QUIET ENJOYMENT.</u> Upon payment by Tenant of all rent and other sums provided to be paid in this Lease, and the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed. Tenant shall have the peaceful and quiet use of the demised premises, and all rights, servitude, and privileges belonging to, or in any way appertaining thereto, or granted hereby for the terms slated, without hindrance, or interruption by Landlord or any other person or persons lawfully claiming by, through or under Landlord; subject, nevertheless, to the term and conditions of this Lease.

# 15. <u>USE OF PREMISES.</u>

Rules and Regulations. Tenant agrees to observe all reasonable rules and regulations from time to time by Landlord, which in the Landlord's judgment (to be reasonably exercised) are needed for the general well-being, safety, care and cleanliness of the premises and the building of which they are a part; provided, however, that any such rules and regulations shall be of general application to all other tenants and occupants of said building. Such rules and regulations are incorporated herein as if fully set forth. A breach of a rule or regulation shall constitute a breach of this lease. The rules and regulations may, in the sole discretion of the Landlord, be modified from time to time, so long as they do not affect a material change in this lease. Such rules shall include, but are not limited to, the following and will not interfere with the rights of the Tenant under this lease:

- (a) The sidewalks, entries, passages, elevators, public corridors and staircases and other parts of the building which are not occupied by the Tenant shall not be obstructed or used for any other purpose other than ingress and egress unless approved by Landlord.
- (b) The Tenant shall not install or permit the installation of any awnings, shades, and the like other than those approved by the Landlord in writing.
- (c) No additional locks shall be placed upon any doors in the premises unless keys therefore are given to the Landlord for use in emergencies; and the doors leading to corridors or main halls shall be kept closed during after business hours except as they may be used for ingress and egress.

8

- (d) The Tenant shall not construct, maintain, use or operate within the demised premises or elsewhere in the building of which the demised premises form a part or on the outside of the building, any equipment or machinery which produces music, sound or noise which is audible beyond the demised premises.
- (e) Electric and telephone floor distribution boxes must remain accessible at all times.
- (f) No vehicles shall be brought into he lobby or elevators of the building or into the premises.
- (g) The Tenant shall not utilize in the demised premises equipment requiring electrical energy other than ordinary office equipment.
- (h) Tenant may enforce parking restrictions for the spaces dedicated and reserved solely for the tenant, its employees and visitors. Tenant may enforce the restricted parking by placing violation notices on the vehicles and may tow or boot vehicles that repeatedly violate the parking restrictions.
- (i) Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated, discharged, released, spilled or disposed of on, in, under or about the premises, the building or the land by Tenant or its agents, except as required for Tenant's business and which complies with all local, regional, state and federal environmental laws.
- (j) Tenants use of the demised premise shall be limited to office use only, which includes the use of standard office equipment only and said equipment should not exceed standard office floor loading.
- (k) Tenant, employees, invitees, and guests recognize that the demised premises and the building are designated as nonsmoking.
- 16. <u>IMPROVEMENTS BY TENANT</u>. Tenant agrees not to make any alterations, additions, or changes to or of the demised premises, except for small changes not affecting structural, mechanical or electrical systems, without first obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld. If Landlord gives written consent to the making of said alterations, additions or changes, any work performed by Tenant must be made at Tenant's own cost and expense and in a good and workmanlike manner and in accordance with all applicable laws, ordinances, rules and regulations. Alterations remain part of the demised premises unless Landlord approves their removal by the Tenant at the expiration, surrender or termination of this lease.

9

17. COMPLIANCE WITH REGULATIONS. The Tenant shall at its own expense properly and promptly comply with all laws, ordinances, rules, regulations and requirements, as the same now exist or as the same may hereafter be enacted, amended or promulgated by any federal, state or municipal authority, and/or any department or agency thereof, and of the Board of Fire Underwriters, or any similar organizations, relating to the Tenant's use of the demised premises or of the operation of the Tenant's business therein; provided, however, that Landlord covenants and agrees that at the commencement of the term of this lease the demised premises will be in compliance with any such ordinance, rules, regulations or requirements; and further provided, that Tenant shall no be required to perform any structural work or make any repairs to the building as the result of any laws, ordinances, rules, regulations or requirements.

### 18. DEFAULT. Tenant shall be deemed to be in default hereunder if:

- (a) The Tenant shall fail to pay any installment of rent due hereunder or any other costs and expenses for which the Tenant shall be responsible hereunder, within ten (10) days after written notice from the Landlord specifying the item or items alleged to be due and unpaid, unless the Tenant shall in good faith dispute its liability therefore or the propriety of the amount claimed (other than the base annual rent); (b) Tenant shall fail or neglect to keep and perform each and every one of the other covenants, conditions and agreements herein contained and on the part of the Tenant to be kept and performed, within thirty (30) days after written notice from the Landlord specifying the items alleged to be in default, unless (1) the curing of such default will take more than thirty (30) days, in which event Tenant shall be deemed to be in default only if it does not commence the curing of such default within the said thirty (30) day period and carry it, in good faith, to prompt completion; or (2) the Tenant shall, in good faith, dispute the existence of any default or the extent of its liability therefore, in which event the Tenant shall be deemed to be in default only if it fails, within thirty (30) days after the agreement or final adjudication, to commence the curing of such default as is adjudged to exist or which the Landlord and the Tenant agree exists, and to carry it, in good faith, to prompt completion.
- (c) If the Tenant shall make an assignment of its assets for the benefit of creditors, or if the Tenant shall file a voluntary petition in bankruptcy, or if an involuntary petition in bankruptcy or for receivership be instituted against the Tenant and the same be not dismissed within thirty (30) days of the filing therefore, or if the Tenant be adjudged bankrupt, then and in any of said events this lease shall immediately cease and terminate at the option of the Landlord with the same force and effect as though the date of said event was the day herein fixed for expiration of the term of this lease.

(d) In the event the Tenant abandons the property, the Landlord may, at its option, accelerate the entire unpaid balance of the unexpired portion of the lease and take such action to collect amounts, as the Landlord deems appropriate. The Landlord may re-enter the demised premises and such reentry shall not be deemed a surrender and termination of the lease. It shall be deemed to be a retaking for the purpose of re-letting the demised premises and the Landlord may make such alterations, improvements, repairs, etc., as it deems necessary to prepare the demised premises for reletting. Neither the Landlord's re-entry nor failure to re-enter shall be deemed a waiver of any claim it may have against the Tenant for the remaining portion of the lease. The Tenant remains liable to the Landlord for the entire unpaid balance plus all damages that Landlord may have suffered by reason of Tenant's abandonment, less credit given for any rental received by the Landlord from a successor tenant. If the successor tenant pays a rent that exceeds the rent obligation of the Tenant hereunder, the Landlord shall be under no obligation to the Tenant to account for or pay over such excess. If a default exists, because of any reason set out in this lease, Tenant's right to possession shall thereupon cease and Landlord shall be entitled to the possession of said demised premises and to re-enter the same without demand for rent or for possession of said demised premises and to re-enter the same without demand for rent or for possession. Landlord may proceed forthwith to recover possession of said demised premises by process of law, any notice to quit or if intention to exercise such option or to re-enter said demised premises being hereby expressly waived by Tenant. Further, Landlord at its sole option may accelerate the unpaid rent for the unexpired portion of the lease, giving credit for any proceeds from the re-letting in whole or in part of the demised premises and improvements by Landlord to others. Tenant will be liable to Landlord for all court costs and reasonable attorney's fees in the event Tenant shall become in default and Landlord incurs court costs and attorney's fees in obtaining possession of the premises or in the enforcement of any covenant, condition or agreement herein contained, whether through legal proceedings or otherwise, and whether or not any such legal proceedings be prosecuted to a final judgment.

# 19. DEFAULT BY LANDLORD.

Landlord shall be deemed to be in default under this Lease if it shall fail to provide the demised premises in the condition agreed free from any interference with Tenant's use and enjoyment thereof, or all services within the standards and hours agreed, or any other obligations undertaken by Landlord under this lease.

In case of Landlord's default, Tenant shall have each and all of the following remedies: Tenant shall have the option of canceling this Lease for any substantial default by Landlord. Such default shall include, but not be limited to, denying Tenant access to the demised premises for any reason other than

Tenant's uncured default, failure to provide utility service to the premises for more than two full business days, or failure to perform with all reasonable speed and efficiency any repair which is the obligation of the Landlord under this Lease.

In addition, Tenant shall have the right to abate its rent proportionately when Landlord, for any cause reasonably within its control, is unable or unwilling to provide the demised premises in the condition agreed, free from interference or obstruction, or the services within the standards or the hours agreed.

20. <u>SURRENDER OF DEMISED PREMISES</u>. Upon the expiration or other termination of this Lease, or any renewals or extensions thereof, Tenant shall quit and surrender the premises to Landlord in good order and condition, ordinary wear and tear, acts of God, fire, and other casualty excepted. Tenant shall on the day of termination of this Lease, or prior to such date, remove all property of Tenant, and unless this lease is terminated pursuant to paragraph six (6) hereof, Tenant shall within two weeks after termination repair all damage to the demised premises caused by such removal and make reasonable restoration of the demised premises to the condition in which they were in prior to the installation of the property so removed.

# 21. SIGNS.

Building directory. Landlord will list Tenant's name in the building directories, if any, and provide building standard signage near one suite entry door. Tenant shall not paint, affix or otherwise display on any part of the exterior or interior of the building any other sign, advertisement or notice. If any such item that has not been approved by the Landlord is so displayed, then Landlord shall have the right to remove such item at Tenant's expense or to require that Tenant do the same.

# 22. ASSIGNMENT/SUBLEASING.

- A) Tenant shall not assign or sublet the demised premises or any part thereof, without the prior written consent of Landlord.
- B) Assignment pursuant to provisions of Bankruptcy Code. If this lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code"), any and all monies or other considerations payable or otherwise to be delivered in connection with such assignment shall be paid or delivered to the Landlord, shall be and remain the exclusive property of the Landlord, and shall not constitute the property of the Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting Landlord's property under the preceding sentence not paid or delivered to

Landlord shall be held in trust for the benefit of the Landlord and shall be promptly paid and/or delivered to the Landlord.

- C) Expenses, including attorney's fees to be paid by Tenant. Tenant shall pay the expenses (including all attorney's fees) incurred by Landlord in connection with Tenant's request for Landlord to give its consent to any assignment, subletting, occupancy or mortgage.
- D) Assignment. Assignment of this lease shall not be allowed.
- 23. <u>WARRANTY</u>. Landlord warrants that he has full legal authority and right to grant to Tenant the estate hereby demised and the easements thereunto pertaining.
- 24. <u>NOTICES.</u> Any notice required or permitted by this Lease to be given by either party to the other may be either personally delivered or sent by registered mail, postage prepaid, deposited, and properly addressed in the U.S. Post Office, the date of such depositing being taken as the date of giving such notice.

All notices required by this lease, unless otherwise designated in writing, shall be given to:

Tenant: Anthony Hooper, Deputy County Administrator

10 Hotel Street

Warrenton, VA 20186

Landlord: A. G. GAUNOUX 32 Waterloo Street Warrenton, VA 20186

- 25. <u>WAIVER</u>. Any particular waiver of any covenant or condition of this Lease shall extend to the particular instance only and in the manner specified, and shall not be construed as applying to or in any manner waiving any further or other covenants, conditions or rights hereunder
- 26. ESTOPPEL CERTIFICATES. Tenant agrees, at any time and from time to time, upon not less than five (5) days' prior written notice by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing to (a) certifying that this lease is unmodified and in full force and effect (or if there have been modifications, that the lease is in full force and effect as modified and stating the modifications), (b) stating the dates to which the rent and other charges hereunder have been paid by Tenant, (c) stating whether or not to the best knowledge of Tenant, Landlord is in default in the performance of any covenant, agreement or condition contained in this lease, and, if so, specifying each such default of which the Tenant may have knowledge, and (d) stating the address to which notices to Tenant should be sent. Any such

13

statement delivered pursuant hereto may be relied upon by any owner of the building, any prospective purchaser of the building, any mortgagee or prospective mortgagee of the building, or of an interest in the building, or any prospective assignee of any such mortgagee. Further, Tenant, at Landlord's request, agrees to execute a consent to and acknowledgement of Assignment of Rent at any time during Tenant's occupancy

- 27. <u>SUBORDINATION</u>. This lease and all rights of the Tenant hereunder shall, at the option of the Landlord, be either prior to or subject and subordinate to any first mortgage or first deed of trust or ground leases now and hereafter constituting a lien against the premises, or any part thereof, and to any and all renewals, modifications, consolidations, replacements and extensions thereof. The election of the Landlord hereunder may be made at any time during the term of the lease. Tenant agrees to execute any reasonable Subordination of Mortgage agreements requested by Landlord at any reasonable time during the term hereof. Landlord shall obtain a satisfactory Nondisturbance Agreement from the current and any future mortgagee or land lessor.
- 28. <u>NO PARTNERSHIP CREATED.</u> Nothing contained in this lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant or to create any other relationship between the parties hereto other than that of Landlord and Tenant.
- 29. <u>MECHANICS' LIENS.</u> Lessee will within fifteen (15) days after notice from Lessor discharge any mechanics' liens for materials or labor claimed to have been furnished to the premises on Lessee's behalf.
- 30. <u>ENTIRE AGREEMENT.</u> This Lease, together with exhibits attached hereto and made a part hereof, represents the entire understanding between the parties, and there are no collateral or oral agreements or understandings, and this Lease shall not be modified changed or terminated unless in writing of equal dignity signed by both parties.
- 31. <u>PARTIAL INVALIDITY</u>. If any provision of this lease or the application thereof to any person or circumstance shall to any extent be held void, unenforceable or invalid, then the remainder of this lease or the application of such provision to persons or circumstances other than those as to which it is held void, unenforceable or invalid shall not be affected thereby, and each provision of this lease shall be valid and enforced to the fullest extent permitted by law.
- 32. <u>BINDING EFFECT.</u> It is agreed that all of the terms and conditions of this Lease are binding upon the parties hereto, their administrators, heirs, successors and assigns, unless otherwise specified herein. All terms and conditions herein are also covenants.

14

- 33. GUARANTORS. Any persons signing this lease, not as a Tenant, but as a guarantors, hereby unconditionally guarantees to the Landlord the payment of all rent, additional rent, damages, fees, costs, and the performance of any and all obligations of the Tenant under this lease and any extensions and modifications thereof as well as liability under any holdover provisions. All guarantors hereby waive notice from the Landlord of any breach by Tenant, extension of the lease, modifications of the lease, or any change to the rental agreement between the Tenant and Landlord. Guarantors also waive any notice of any breach, notice to cure, right to cure, waiver, notice to quit, forbearance by Landlord, or forgiveness by Landlord between the Tenant and Landlord. Guarantors are liable for all costs, damages and reasonable attorney's fees incurred by the Landlord in collecting under the lease as well as collecting against the guarantors hereunder.
- 34. <u>CHOICE OF LAW AND VENUE</u>. Landlord and Tenant agree that this Lease Agreement shall be construed under the laws of the Commonwealth of Virginia and that any and all disputes whatsoever arising under this Lease against Tenant shall only be properly brought in the Circuit Court of Fauquier County, Virginia.
- 35. <u>IMPROVEMENTS.</u> The Landlord agrees that on or after November 15, 2006 the Landlord will begin painting the hallway, kitchen, Registrar's personal office, main office and conference room. The Landlord further agrees that all painting will be complete by November 30, 2006.

Landlord had the carpets in the premises cleaned prior to the execution of the Lease. Landlord agrees to have the carpets cleaned on or by June 30, 2008 if the Tenant exercises its option to renew this Lease. Landlord further agrees to have the carpets cleaned at least once every two years on or by June 30<sup>th</sup> and every two years thereafter for the term of this Lease and all renewals thereof.

Subject to Landlord's approval of the design and specifications, Landlord gives permission for the Tenant to enclose the nurse's station at its own expense. Tenant may not remove any changes or improvements made to the nurse's station upon expiration of this Lease. Tenant agrees to comply with the Uniform Statewide Building Code in the construction of these improvements.

IN WITNESS WHEREOF, the parties had ay of September, 2006.	executed this Lease this
LANDLORD:	
	Date:
A. G. GAUNOUX, LANDLORD	

15

TENANT:		
	Date:	
Paul McCulla, County Administrator		